NAIOP
MARYLAND CHAPTERS
THE ASSOCIATION FOR COMMERCIAL REAL ESTATE

March 21, 2025

The Honorable Vanessa E. Atterbeary, Chair
House Ways and Means Committee
130 Taylor House Office Building
Annapolis, Maryland 21401

Unfavorable: SB 472 – Special Tax Rates - Land and Improvements Adjacent to Rail Stations

Dear Chair, Atterbeary and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your unfavorable report on SB 472 which would authorize the counties and Baltimore City to adopt higher tax rates for vacant land and improvements within one mile of transit stations. NAIOP's recommendation is based on the following:

- SB 472 is the amended cross-file to HB 330 which the committee heard February 4th but took no further action. As introduced, both HB 330 and HB 472 were intended to authorize a tax incentive for transit-oriented development by establishing a special, lower tax rate for improvements on land located within one mile of a rail station.
- Senate amendments removed language that capped the special tax rate at the rate applied to other classes of property.
- Removing the rate cap transforms the bill from a carefully crafted tax incentive near transit-oriented development, to a bill enabling broad tax increases on buildings and vacant land within one mile of all rail stations.
- MDOT and the counties have only designated 14 Transit Oriented Development zones, but the fiscal note indicates the bill applies to land within one mile of 111 rail stations along the MARC Penn, Camden and Brunswick Lines, Baltimore Metro Subway Link, Baltimore Light Rail, Purple Line, and other Metrorail stations.
- The special taxing authority applies to a one-mile radius which is twice the extent of the MDOT Transit Oriented Development benefits which only apply to a ½ mile radius around the 14 designated stations.
- Testimony from a proponent in the Senate hearing estimates the special tax rate authority applies to 55% of the land area in Baltimore City, 31% in Montgomery County and 25% in Prince George's.
- The inclusion of unimproved land could increase tax rates for land that is either temporarily or permanently unbuildable due to infrastructure issues or environmental constraints.
- Because the authority applies within one mile of *future* rail stations, the bill would authorize higher property tax rates to be imposed before rail facilities are built and operating.

NAIOP believes it is unlikely that SB 472 will invigorate transit-oriented development. The Senate amendments authorize broad tax increases which would place financial burdens on underdeveloped parcels of land without consideration of barriers to development such as zoning, infrastructure adequacy, local opposition, and market conditions.

For these reasons, NAIOP respectfully requests your unfavorable report on HB 472.

Sincerely,

T.M. Ballentine

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Ways and Means Committee Members
Nick Manis – Manis, Canning Assoc.

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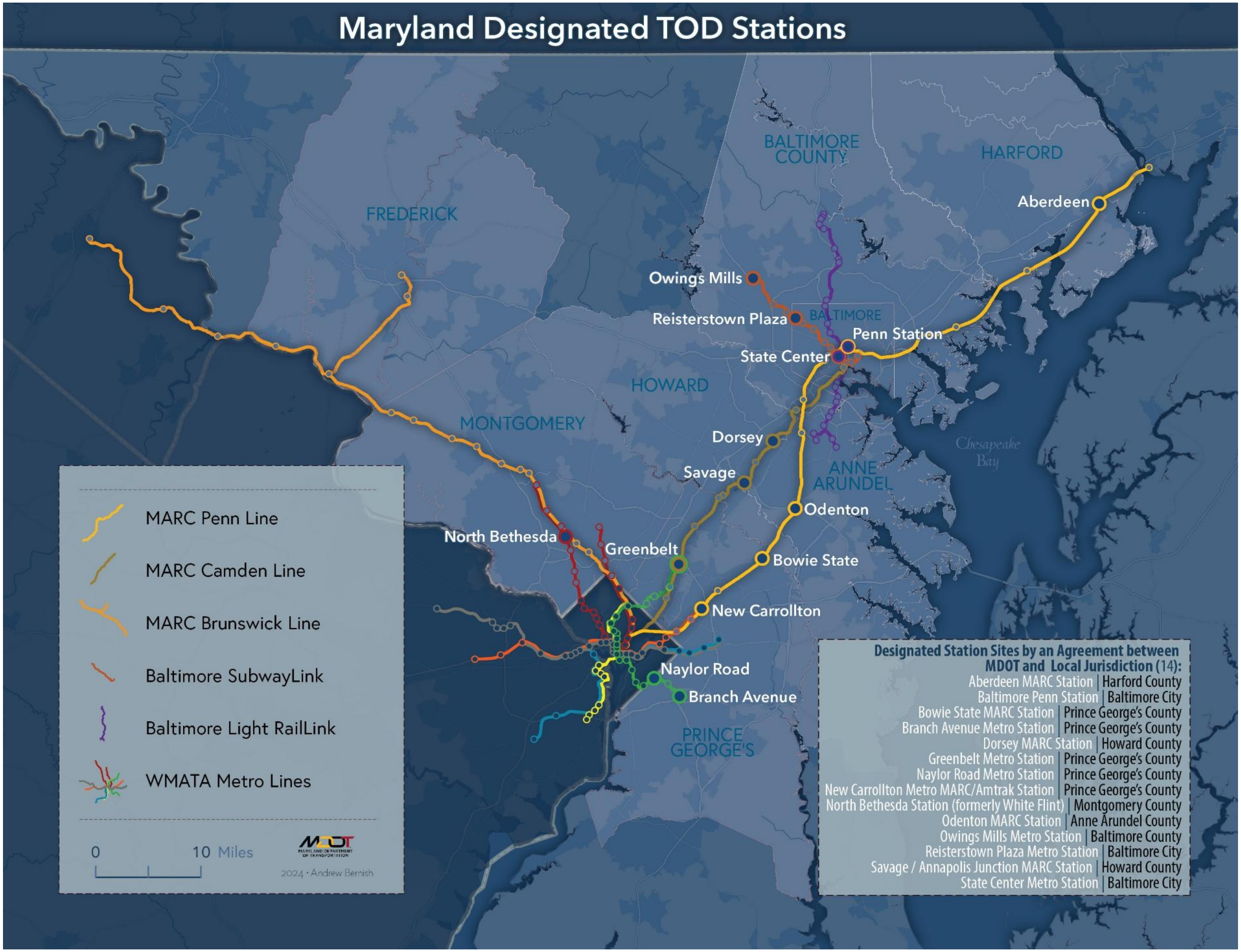
Maryland Designated TOD Stations
FREDERICK
BALTIMORE COUNTY
HARFORD
MONTGOMERY
HOWARD
ANNE ARUNDEL
PRINCE GEORGE'S
BALTIMORE
Chesapeake Bay
Aberdeen
Owings Mills
Reisterstown Plaza
Penn Station
State Center
Dorsey
Savage
Odenton
North Bethesda
Greenbelt
Bowie State
New Carrollton
Naylor Road
Branch Avenue
MARC Penn Line
MARC Camden Line
MARC Brunswick Line
Baltimore SubwayLink
Baltimore Light RailLink
WMATA Metro Lines
0
10 Miles
2024 · Andrew Bernish
Designated Station Sites by an Agreement between MDOT and Local Jurisdiction (14):
Aberdeen MARC Station | Harford County
Baltimore Penn Station | Baltimore City
Bowie State MARC Station | Prince George's County
Branch Avenue Metro Station | Prince George's County
Dorsey MARC Station | Howard County
Greenbelt Metro Station | Prince George's County
Naylor Road Metro Station | Prince George's County
New Carrollton Metro MARC/Amtrak Station | Prince George's County
North Bethesda Station (formerly White Flint) | Montgomery County
Odenton MARC Station | Anne Arundel County
Owings Mills Metro Station | Baltimore County
Reisterstown Plaza Metro Station | Baltimore City
Savage / Annapolis Junction MARC Station | Howard County
State Center Metro Station | Baltimore City